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COMMITTEE ON WAYS AND MEANS
SUBCOMMITTEE ON TRADE
SUBCOMMITTEE ON SOCIAL SECURITY

DEMOCRATIC STEERING AND POLICY COMMITTEE

Congress of the United States
House of Representatives

October 29, 2019

The Honorable Steven Mnuchin
Secretary
United States Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Dear Secretary Mnuchin:

I write to you regarding alleged rampant corruption within your department. An article published in the New York Times on October 26, 2019 posits that at your direction, the Treasury Department abused a program designed to help low-income and impoverished Americans to benefit Michael Milken, a disgraced con artist who served time in prison for staggering financial crimes.ⁱ I demand answers from your office on these credible findings.

The \$1.5 trillion in tax cuts that mainly went to the top 1% of Americans jammed into law by congressional Republicans in 2017 stands one of the worst pieces of legislation passed by Congress in the last generation.ⁱⁱ However, its creation of qualified opportunity zones to “spur economic development and job creation in distressed communities” throughout the United States represents a noble goal which, if pursued, could be of significant benefit to millions of needy Americans.ⁱⁱⁱ Unfortunately, those goals are not being fully realized as the program, much like the rest of the tax scam law, has been perverted to profit the super-rich, including Donald Trump’s relatives and other friendly associates.^{iv} Only now we find out that your personal friends, as well, are enjoying windfalls through this program.

The Times article asserts that after you met with Milken, you directed your staff to ignore set guidelines for designating areas as opportunity zones to certify a swath of land in the Nevada desert lying northeast of Carson City. By a lucky coincidence, that area encompasses real estate properties co-owned by Milken near Milken’s vacation home, and after your “personal instruction” was effectuated, Milken’s property became eligible for a lucrative tax break as an opportunity zone.

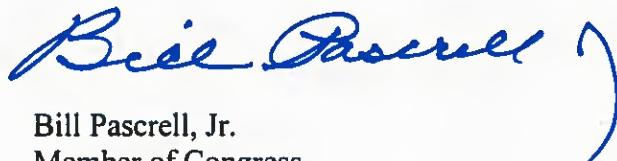
We know about this unusual action only because a courageous former staff member in your department has come forward to pour light on your behavior. Additionally, whistleblowers at the Internal Revenue Service prepared a contemporaneous memorandum which noted that your order would “undermine the public’s trust in the IRS,” “open[] the door for accusations that the [opportunity zones] determination process was influenced by political considerations or bias,” and that your decision “may call into question whether the IRS’ independence with respect to

administration is compromised.” I urge that you find time to read this one-page memo, a powerful and succinct compendium of corruption you have enabled.

Please explain to me why you violated strict guidelines and ordered the awarding of special status to this property zone in Nevada. In your discussion with Milken referenced in the October 26 article, did Milken or any of his associates request this designation? Did Milken or his associates ever request your direct assistance in receiving favorable designation for the opportunity zones program on any other occasion? Please provide my office with a list of every conversation or interaction you or your aides have had with Milken since January 1, 2018. Have you or members of your staff held other meetings with real estate developers who have requested special dispensation to receive tax breaks as opportunity zones? More generally: do you see your job as protecting the interests of the entirety of the American people or a handful of plutocrats and personal acquaintances? Do you think it is appropriate for the Secretary of the Treasury of the United States to seek special favors for one of the most prolific financial criminals in world history? To begin to get to the bottom of corruption within your department, we need answers to these questions.

It should go without saying that the United States government is not a piggy bank to be looted for the sole benefit of the President and his friends. Yet this is not only what is occurring in your department, but it is happening at your direct supervision. Please provide answers to my questions immediately.

Sincerely,

A handwritten signature in blue ink that reads "Bill Pascrell, Jr." followed by a small open parenthesis at the end.

Bill Pascrell, Jr.
Member of Congress

ⁱ <https://www.nytimes.com/2019/10/26/business/michael-milken-trump-opportunity-zones.html>

ⁱⁱ <https://pascrell.house.gov/news/documentsingle.aspx?DocumentID=2404>

ⁱⁱⁱ <https://www.irs.gov/newsroom/opportunity-zones-frequently-asked-questions>

^{iv} <https://www.nytimes.com/2019/08/31/business/tax-opportunity-zones.html>